

Memorandum



Date: October 18, 2005

To: Hon. Chairman Joe A. Martinez
and Members, Board of County Commissioners

Agenda Item No. 14(A)(5)

From: George M. Burgess
County Manager

Subject: Second Amendment to the Concession Agreement for Operation of Nonexclusive Duty and Tax Free Concession at Miami International Airport between Miami-Dade County and Miami Airport Duty Free Joint Venture

This add-on item, which extends the current Duty and Tax Free concession agreement at Miami International for additional 31-days, is required in order to provide sufficient transition time for a new concessionaire. Additionally, in order for MIA to provide uninterrupted duty and tax free services to our international customers during the upcoming holiday period, orders for merchandise must be placed by the current provider immediately.

The attached Second Amendment to the Concession Agreement with Miami Airport Duty Free Joint Venture ("MADFJV") and Miami-Dade County has been prepared by the Miami-Dade Aviation Department (MDAD) and is recommended for approval. This amendment extends the agreement for an additional 31-day period to provide continuance of Duty Free store operations at Miami International Airport (MIA). The existing agreement with MADFJV expires on November 30, 2005, and the additional 31 days will allow a new Concessionaire, if approved by the Board, time to obtain necessary U.S. Customs approvals. To accomplish this result, a waiver of competitive bids is recommended as being in the best interest of the County. Further, a waiver of Resolution R-377-04 is recommended.

MODIFICATION NO.	Second Amendment
PROJECT NAME:	Concession Agreement for Operation of Nonexclusive Duty and Tax Free Concession at Miami International Airport
PROJECT NO.:	N/A
PROJECT LOCATION:	MIA Terminal Building
PROJECT DESCRIPTION:	Operation of several duty and tax free stores at MIA Terminals.
FIRM:	Miami Airport Duty Free Joint Venture
LOCATION OF FIRM:	Miami, FL
COMPANY PRINCIPALS:	Steven Timms, Starboard Cruise Services, Inc. Jorge deCardenas, Decar Consultants, Inc. Carole Ann Taylor, Miami To Go, Inc. Sergio Pino, Century Duty Free, Inc. Maria J. Argudin, an individual

HOW LONG IN BUSINESS: Ten (10) years

GENDER, ETHNICITY AND OWNERSHIP BREAKDOWN: Steven Timms, Male, Caucasian, 66%
Jorge deCardenas, Male, Hispanic, 4%
Sergio Pino, Male, Hispanic, 14%
Carole Ann Taylor, Female, African American, 12%
Maria Argudin, Female, Hispanic, 4%

PREVIOUS AGREEMENT WITH THE COUNTY: None

TERM OF AGREEMENT: Ten years

PREVIOUS MODIFICATIONS: First Amendment changing the term to ten years from an original term of five years with five one year options to renew.

AGREEMENT MODIFICATION: The Term has been amended to extend the agreement through December 31, 2005. The percentage fee has been reduced from 35.1 percent to 25 percent of gross revenues monthly. Both the Minimum Annual Guarantee and the support space rent have been waived.

JUSTIFICATION: The recommended Second Amendment will extend the period of performance to December 31, 2005, to allow a new Concessionaire, if approved by the Board of County Commissioners time to obtain necessary approvals from the US Customs Department to operate duty-free stores at MIA.


USING AGENCY: Aviation Department

FUNDING SOURCE N/A, revenue generating contract

CONTRACT MEASURES DBE participation will be impacted as joint venture partners withdraw.

APPROVAL FOR LEGAL SUFFICIENCY: Yes

DBD REVIEW: No



Deputy County Manager



MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: October 18, 2005

FROM: Murray A. Greenberg
County Attorney

SUBJECT: Agenda Item No. 14(A)(5)

Please note any items checked.

- ☒ **"4-Day Rule" ("3-Day Rule" for committees) applicable if raised**
- ☐ **6 weeks required between first reading and public hearing**
- ☐ **4 weeks notification to municipal officials required prior to public hearing**
- ☐ **Decreases revenues or increases expenditures without balancing budget**
- ☐ **Budget required**
- ☐ **Statement of fiscal impact required**
- ☐ **Bid waiver requiring County Manager's written recommendation**
- ☐ **Ordinance creating a new board requires detailed County Manager's report for public hearing**
- ☐ **Housekeeping item (no policy decision required)**
- ☒ **No committee review**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 14(A)(5)
10-18-05

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING WAIVER OF
FORMAL BID PROCEDURES AND PROVISIONS
OF SECTION 4.03(D) OF THE HOME RULE CHARTER
AND SECTION 2-8.1(B) CODE OF MIAMI-DADE
COUNTY AND APPROVING SECOND AMENDMENT
TO THE NONEXCLUSIVE DUTY AND TAX FREE
CONCESSION AGREEMENT WITH MIAMI AIRPORT
DUTY FREE JOINT VENTURE PROVIDING FOR
AN EXTENSION OF THE TERM THROUGH
DECEMBER 31, 2005; REDUCING THE MONTHLY
OPPORTUNITY FEE AND WAIVING THE MINIMUM
ANNUAL GUARANTEE AND THE SUPPORT SPACE
RENT; AUTHORIZING COUNTY MANAGER OR HIS
DESIGNEE TO EXECUTE SAME; AND WAIVING
THE REQUIREMENTS OF RESOLUTION NO. R-377-04**

WHEREAS, this Board desires to accomplish the purposes
outlined in the accompanying memorandum and documents, copies of
which are incorporated herein by reference,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY
COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA,** that this Board
finds it is in the best interest of the County to waive formal
bid procedures pursuant to Section 4.03(D) of the Home Rule
Charter and Section 2-8.1(b) Code of Miami-Dade County by 2/3
vote of the Board members present and approves the terms of the
Second Amendment to the Non-Exclusive Duty and Tax Free
Concession Agreement between Miami-Dade County and Miami Airport
Duty Free Joint Venture ("MADFJV") in substantially the form

attached hereto and made a part hereof which provides that: (a) the term of the Agreement is extended through December 31, 2005; (b) the Monthly Opportunity Fee is reduced from 35.1 to 25 percent of monthly gross revenues; (c) the Minimum Annual Guarantee and the support space rent is waived during the period of this extension; all as more particularly set forth in the accompanying memorandum from the County Manager. This Board authorizes the County Manager or his designee to execute on behalf of Miami-Dade County the Second Amendment in substantially the form attached hereto and made a part hereof; and waives the requirements of Resolution No.R-377-04.


The foregoing resolution was offered by Commissioner
, who moved its adoption. The motion was
seconded by Commissioner and upon being put
to a vote, the vote was as follows:

Joe A. Martinez, Chairman	
Dennis C. Moss, Vice-Chairman	
Bruno A. Barreiro	Dr. Barbara Carey-Shuler
Jose "Pepe" Diaz	Carlos A. Gimenez
Sally A. Heyman	Barbara J. Jordan
Dorrin D. Rolle	Natacha Seijas
Katy Sorenson	Rebecca Sosa
Sen. Javier D. Souto	


The Chairperson thereupon declared the resolution duly passed and adopted this 18th day of October, 2005. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as
to form and legal sufficiency 

By: _____
Deputy Clerk

 : Henry N. Gillman

**SECOND AMENDMENT
TO CONCESSION AGREEMENT FOR NONEXCLUSIVE DUTY AND TAX FREE
CONCESSION, TERMINAL BUILDING, MIAMI INTERNATIONAL AIRPORT,
BETWEEN MIAMI-DADE COUNTY, FLORIDA,
AND
MIAMI AIRPORT DUTY FREE JOINT VENTURE**

THIS SECOND AMENDMENT, entered into this ____ day of _____, 2005 by and between MIAMI-DADE COUNTY, a political subdivision of the State of Florida, hereinafter referred to as the "County" and Miami Airport Duty Free Joint Venture, a Joint Venture registered under Florida Law.

WITNESSETH:

WHEREAS, by Resolution No. R-1449-95, the Board of County Commissioners authorized an agreement between the parties hereto for the Operation of a Nonexclusive Duty and Tax Free Concession Agreement at the Terminal Building at Miami International Airport, hereinafter referred to as the "Agreement"; and,

WHEREAS, by Resolution No. R-1400-98, the Board of County Commissioners approved a First Amendment, which converted the Agreement to a fixed ten (10) year period rather than a five (5) year fixed term with five (5) separate one (1) year extensions;

WHEREAS, it is in the best interest of the County to extend the Agreement for an additional 31-day period to expire at 12:00 midnight on December 31, 2005, from its stated termination date to ensure continuity of Service at Miami International Airport; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants herein contained, the parties hereto agree to amend the Agreement as follows:

- A) Articles 3.01 "Annual Rental", Article 3.02 "Rental Rate Adjustment", 3.03 "Minimum Annual Guarantee", Article 3.04 "Recalculations of Minimum Annual Guarantee", and Article 3.05 "Monthly Opportunity Fee" of the Agreement are hereby deleted in their entirety effective midnight of November 30, 2005, and the following new language is hereby substituted effective December 1, 2005 as follows:

3.05 Monthly Opportunity Fee: As consideration for the privilege granted the Tenant herein to engage in business at Miami International Airport for the use and occupancy of any property or for any lease or license to use or occupy any property, the Tenant shall, for the duration of this Agreement, pay to the County a Monthly Opportunity Fee of twenty-five (25) percent of the Monthly Gross Revenues, as defined in Article 3.09, by the tenth (10th) day of the month following the month during which the Gross

Revenues were received or accrued, plus applicable State Taxes, if any, that may be required by law. The Percentage Fee payable on any unreported Gross Revenues, determined by the annual audit required pursuant to Article 3.15, is considered due on the tenth day of the month following the month during which the unreported Gross Revenues were received or accrued, and as such are subject to the "Late Payment Charges" as stated in Article 3.07.

The Annual Rental for the lease of any current administrative office, support space and warehouse(s) in support of the operation of this Agreement will be waived during the extension period;

- B) All other terms, covenants, and conditions contained in the Agreement dated October 17, 1995, remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have this Second Amendment to be executed by their respective and duly authorized officers, as of the day and year first above written.

ATTEST:

MIAMI-DADE COUNTY, FLORIDA
A political subdivision of the State
of Florida

HARVEY RUVIN, CLERK

BY ITS BOARD OF COUNTY
COMMISSIONERS

By: _____
Deputy Clerk

By: _____
County Manager

(MIAMI-DADE COUNTY SEAL)

ATTEST:

By: _____

By: _____

Print Name

Approved for Form and Legal Sufficiency

By: 10/18/05
Assistant County Attorney

MANAGEMENT

MANAGEMENT

Name: **Starboard Cruise Services**

By: R. Norris
President

ROB NORRIS
Print Name

Attest: [Signature]
Asst. Secretary

(Corporate Seal)

Name: **MEDIA CONSULTANTS, INC.**

By: _____

President

Luis deCadenas

Print Name

Attest: _____

Secretary

(Corporate Seal)

Name: **CENTURY DUTY FREE, INC**

By: _____

President

Sergio Pino

Print Name

Attest: _____

Secretary

(Corporate Seal)

Name: **MIAMI TO GO Inc.**

By: _____

President

Carole Ann Taylor

Print Name

Attest: _____

Secretary

(Corporate Seal)

Name: **MARIA J. ARGUDIN**

By: _____

President

MARIA J. ARGUDIN

Print Name

Attest: _____

Secretary

(Corporate Seal)